

ALLOWABLE TUITION RATE-04

(Net Cost per Pupil)

GENERAL RULES & INSTRUCTIONS

Title 16, Section 825. Maximum Tuition rate, calculated net cost per pupil defined:

- (a) Calculated net cost per pupil for the purposes of this chapter shall be defined by the commissioner. Expenditures shall include those for equipment and school building construction, additions, or renovations. Expenditures excluded shall be:
 - (1) Transportation costs incurred by the receiving school district for its resident pupils;
 - (2) Transportation costs for which the receiving school district receives reimbursement;
 - (3) That portion of the total cost which is provided by direct grants from state or federal sources for salaries or other specific expenses;
 - (4) Expenditures for maintenance, and payments of principal and interest for buildings used exclusively for boarding students, if any;
 - (5) Expenditures for special education.
- (b) In no case shall the tuition charged be such that the ratio of the total tuition received to the total cost of operation of the receiving school, or school district, exceeds the ratio of the number of tuition paying pupils to the total number of pupils enrolled in the receiving school, or school district.
- (c) The commissioner shall investigate complaints by a school board regarding tuition and may, within the limits of funds appropriated for this specific purpose, contract for limited scope audits of the annual statistical reports submitted by school districts for the purpose of determining the accuracy of the allocation of revenues and expenditures to elementary and secondary tuition rates.

Title 16 Section 836. Tuition overcharge or undercharge.

- (a) Annually, on or before November 1, the commissioner shall inform each school board of a receiving public school, each board of trustees of a receiving approved independent school for which the commissioner has calculated a net cost per pupil, and each sending school district in Vermont of the calculated net cost per elementary or secondary pupil in the receiving schools. Each school board or board of trustees of a receiving school shall then determine whether it overcharged or undercharged any sending district for tuition charges.
- (b) If the sending district has paid tuition charges in excess of three percent of the calculated net cost per elementary or secondary pupil and is not sending enough students to the receiving school to use the overcharge funds as credit against tuition, the school board or board of trustees of the receiving school shall refund the overcharge money by July 31. However, interest owed the sending district on overcharge monies shall begin to accrue on December 1, at the rate of one-half percent per month.
- (c) If the receiving district has undercharged tuition in an amount three percent or more than the calculated net cost per elementary or secondary pupil, the school board or the board of trustees of the sending school shall pay the amount of the undercharge. If payment is not made by July 31 of the year following the year in which the undercharge was determined, interest owed the sending district on undercharge monies shall begin to accrue on August 1, at the rate of one percent per month.

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Allowable Tuition Rate Discussion

Background

There are 245 Town, City and Incorporated School Districts in Vermont. There are also 36 Union Districts, 4 Unified Districts and 3 Joint Contract Districts and an Interstate District. Fifteen districts do not operate any schools and do not belong to a union. An additional 91 districts do not operate high schools and do not belong to union high schools. Fourteen districts are obligated to send students to “designated high schools.” Districts that do not provide access to a district operated or union school for a grade level are required to provide for the education of their students in that grade by paying tuition to another Vermont public school district, an out-of-state public school district, or an approved independent school.

State statute (16 V.S.A § 825) sets a standard for determining the amount that Vermont public schools may charge to accept tuitioned students. In response to Act 34 of the 1995 legislative session, the State Board of Education developed rules governing the calculation of the net cost per pupil. Those rules are the end result of a process begun in December 1994 involving a wide range of inputs from superintendents, school business managers, and other interested parties. The rules received the final approval of the Legislative Committee on Administrative Rules (LCAR) on August 6, 1996 and became effective August 23, 1996.

Calculation of Maximum Tuition Rate

Title 16 V.S.A. § 836(a) requires that the Commissioner provide the calculated Allowable Tuition Rate (Net Cost per Pupil) on or before November 1. This is the annual report in response to that requirement. The calculation summarized in this report applies to regular education tuition fees that were charged or paid for the 2003-2004 School Year. Costs are broken out for the elementary grades K-6 and secondary grades 7 and 8, and 9 through twelve. This report does not apply to tuition that may be charged for special education or vocational/technical education.

Tuition Overcharges and Undercharges

Title 16 V.S.A § 836 requires that each receiving district determine whether it billed any sending district for tuition charges more than three percent in excess of the calculated Allowable Tuition Rate and credit or refund the amount overcharged.

A district that determines it has undercharged a sending district in an amount three percent or more than the Allowable Tuition Rate may bill the sending district the amount of the undercharge.

If any district finds that an error has been made in the data it provided, the impact of that error should be considered when determining any refund required.

Vermont Department of Education
Allowable Tuition Rate Definitions

Column 1: Full-time Equivalent (FTE) Student Count in Regular Education Programs. The count of student FTEs in regular education programs is obtained from the Spring Census submitted by each school district. Attendances and absences are added together and divided by the number of days in session to yield a fulltime equivalency count. Students reported in the Annual Statistical Report SW-9 are excluded. SW-9 contains technical education FTEs, gifted and talented placement FTEs, special education students, and other non-regular education students.

Column 2: Current Operating Expenditures. Consists of expenditures (excluding tuition and union assessments) reported in the following functions:

Function 1000--Direct Instruction
Function 2000--Support Services
Function 3000--Non-instructional Services
Function 5500--Subgrants

Column 3: Current Instructional Expenditures. Consists of expenditures in Column 2 less:

Function 2711--Transportation of resident students
Program 050--Prekindergarten-Essential Early Education
Program 211--Special Education expenditures eligible for reimbursement or recovery
Program 600--Adult and Continuing Education Programs
Program 800--Community Service Programs
Program 900--Enterprise Programs

Column 4: Offsetting Revenues. Consists of revenues that serve to offset some or all of a particular expenditure in Column 3. Consists of:

Transportation fees
Revenue for services provided to other school districts or governmental agencies
Subgrants received from another local education agency
Restricted revenues from state sources
Restricted revenues from federal sources

Column 5: Net Regular Education Current Instructional Expenditures. Column 3 minus Column 4.

Column 6: Net Regular Education Current Instructional Expenditures--Per Pupil FTE without Debt. Column 5 divided by Column 1.

Column 7: Long-term Facility Cost--Facility Total. Consists of expenditures in Functions 4000 and 5000 for:

- Acquisition of land and buildings
- Remodeling of buildings
- Construction of and additions to buildings
- Installation or extension of service systems and other built-in equipment
- Site improvements
- Principal and interest payments on longterm debt to fund such expenditures

Column 8: Net Long-term Facility Cost- Per Pupil FTE. Column 7 divided by Column 1.

Column 9: Combined Net Cost per Pupil with Debt. Column 8 plus Column 6.